

Supplementary Committee Agenda



Stronger Communities Select Committee Tuesday, 21st March, 2023

Place: Council Chamber - Civic Offices

Time: 7.00 pm

Democratic Services Officer: R Perrin
Email: democraticservices@eppingforestdc.gov.uk

7. HOUSING REVENUE ACCOUNT BUSINESS PLAN UPDATE (Pages 3 - 6)

To consider the attached Housing Revenue Account Business Plan update.

**8. DISCUSSION PAPER - OVERVIEW & SCRUTINY COMMITTEE STRUCTURE
2023/24 (Pages 7 - 14)**

The Constitutional Working Group met on Thursday 16 March 2023, to discuss the future Scrutiny Structure. Following their considerations, it has been recommended that the next available scrutiny committee should also consider the options before it is referred to Council.

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SCRUTINY



Report to Stronger Communities Select Committee

Date of meeting: 21 March 2023

Portfolio: Housing & Community Cllr Holly Whitbread

Subject: Housing Revenue Account Business Plan Update

Officer contact for further information: Pam Wharfe Interim Director for Housing & Property

Democratic Services Officer: R Perrin (01992 564243)

Recommendations/Decisions Required:

That a full update of the HRA Business Plan will be produced in October 2023 after the Asset Management Strategy has been produced and will then be produced annually in that month.

Report:

1 Executive Summary

A report was produced for the Stronger Communities Scrutiny Committee on the 11 January 2022 which laid out in draft form the Housing Revenue Account¹ (HRA) Business Plan. The This report then proceeded to Cabinet on the 7 February 2022. The report was a very detailed description of the resources available within the HRA for the next 30 years. The requirement for a yearly performance update on the Business Plan was in the recommendations which went to Cabinet. This report provides an interim update with a recommendation to have a full annual update in October 2023.

2 2023/4 Budget

The HRA budget has been set for 2023/4 and was agreed by full Council on 28th February 2023. The budget set a rent increase of 7%, in line with the Government rent cap. The minimum balance of £2 million has been maintained.

The HRA Capital Programme comprises total expenditure of £165.925 million over the five-year period 2023/24 to 2027/28, including £35.019 million in 2023/24

The table below shows the 2023/4 budget.

Description	Draft Budget (February 2023)
	£'s
EXPENDITURE	
Employees	5,013,440
Premises	6,218,330
Transport	78,060
Supplies & Services	1,402,060
Contracted Services	7,197,660

¹ The Housing Revenue Account is where the funding for council housing is held and is derived from council housing rents.

Support Services (GF Recharges)	4,984,450
Debt Management Expenses	65,000
Provision for Bad Debts	99,000
Depreciation	9,137,000
Total Expenditure	34,195,000
INCOME	
Rental Income – Dwellings	(37,419,000)
Rental Income – Non-Dwellings	(936,000)
Fees & Charges (Service Charges)	(2,793,000)
Other Contributions (Shared Amenities)	(383,000)
Total Income	(41,531,000)
Net Cost of Service	(7,336,000)
Interest Received	(8,000)
Financing Costs	5,616,000
Net Operating Income	(1,728,000)
<i>Appropriations:</i>	
Contributions to Capital	1,364,000
Contributions to/(from) Reserves	0
Total Appropriations	1,364,000
In Year (Surplus)/Deficit	(364,000)

3 Stock Condition Survey

In both reports to this Committee and Cabinet in 2022 it was acknowledged that a stock condition survey needed to be carried out to better assess what money should be spent on within the HRA Business Plan. The survey was commissioned and is now underway. The survey is being carried out by Ridge and Partners following a competitive tendering exercise. The survey is of half of the council's housing stock including all blocks (456), 1449 houses and 1761 flats and will be completed by the end of April 2023.

4 Asset Management Strategy

The Council will be commissioning an Asset Management Strategy as a companion document to the financial detail contained within the HRA Business Plan (the commission was agreed at Cabinet 13.3.23). The purpose of the strategy will be to decide, at a strategic level, what the Council's priorities are for its HRA resources. Currently the plan includes maintenance, improvement, and the building of council housing as well as the provision of services connected with housing (housing management, rent collection etc). The Asset Management Strategy will decide how much of all the above the Council is able to do. It will be subject to consultation with tenants, leaseholders and Members and will create a rolling 5-year investment plan which meets the aims of the Strategy. The results of the stock condition survey will be critical in, informing the Strategy. The consultation with tenants and leaseholders on the Strategy will be important in meeting the Council's Value for Money,

compliance and engagement duties described within the Social Housing (Regulation) Bill 2023.

5 Stress Testing

The report which comes back to Scrutiny in the Autumn will need to be stress tested i.e. tested to see whether the borrowing plans are sustainable. Given the rising cost of borrowing, the rising costs of construction materials and labour and that the rent cap has been set lower this will be a critical part of the annual update.

Reason for decision:

The full update for the HRA Business Plan will be submitted in October 2023, following

- a) the completion of the stock condition survey and
- b) the completion of the Asset Management Strategy.

Options considered and rejected:

Completing a full review at this time was considered and rejected as the review requires, as a minimum that the stock condition survey has been completed.

Consultation undertaken:

None at this stage.

Resource implications:

There will be a cost for the Asset Management Strategy which will subject to competitive tendering process.

Legal and Governance Implications:

Dates for the Scrutiny of the Asset Management Strategy and the HRA Business Plan for the Autumn of 2023 need to be agreed when the new municipal calendar is produced.

Safer, Cleaner, Greener Implications:

The Asset Management Strategy will review the ability of the Council to improve the energy efficiency of council housing. It is recognized that there are several council homes which have low energy ratings.

Consultation Undertaken:

None at this stage

Background Papers:

The Cabinet Report 7.2.22 and the Scrutiny Report 11.1.22.

Impact Assessments:

Not applicable at this stage

Risk Management

A full risk management assessment will take place via the stress testing of the HRA business plan in October 2023

Equality:

A full equalities impact assessment will be carried out as part of the Asset Management Strategy.

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Report to the Constitution Working Group

Date of meeting: 16 March 2023



**Epping Forest
District Council**

**Subject: Discussion Paper - Overview & Scrutiny
Committee Structure 2023/24**

Responsible Officer: Gary Woodhall (01992 564470).

Democratic Services: Vivienne Messenger (01992 564243).

Recommendations/Decisions Required:

That the Constitution Working Group recommend their preferred option for the structure of the Council's Overview & Scrutiny committees for 2023/24:

Option 1:

- (1) That Overview & Scrutiny Committee be retained on the Council's committee list;**
- (2) That the Stronger Council Select Committee be removed from the Council's committee list and its work programme be absorbed by the Overview & Scrutiny Committee;**
- (3) That the Stronger Communities and Stronger Place Select Committees be retained on the Council's committee list and their work programmes continue to be aligned with the corresponding key themes within the Council's Corporate Plan;**
- (4) That nominations to the Overview & Scrutiny Committee continue to be undertaken by the Appointments Panel and recommended to the Annual Council meeting for approval each year, with the Overview & Scrutiny Committee continuing to appoint members to the two Select Committees; and**
- (5) That the Monitoring Officer be delegated authority to make the necessary revisions within the Constitution to implement the changes above; or**

Option 2:

- (6) That the Overview & Scrutiny Committee be removed from the Council's committee list and its work programme be absorbed by the remaining Select Committees;**
- (7) That the Stronger Communities, Stronger Council and Stronger Place Select Committees be retained on the Council's committee list and their work programmes continue to be aligned with the corresponding key themes within the Council's Corporate Plan;**
- (8) That nominations to the three Select Committees be undertaken by the Appointments Panel and recommended to the Annual Council meeting for approval each year; and**
- (9) That the Monitoring Officer be delegated authority to make the necessary revisions within the Constitution to implement the changes above.**

Report:

Introduction

1. The Council has faced a very challenging budgetary situation for 2023/24, which has required several difficult decisions to be taken. Within the Democratic and Electoral Services Team, this has necessitated a reduction of 2fte in the size of the team, with the Electoral Services section reduced by 0.5fte and the Democratic Services section reduced by 1.5fte. These reductions have been achieved through voluntary redundancies.

2. From 2023/24, the Democratic Services Section will only have three members of staff and therefore will not have the resources to support the Council in the manner that it has done over many years. As part of the budget setting process, the Service Director for Corporate Services had meetings with senior members of the Cabinet to not only agree the necessary cuts in the Democratic Services budget, but also proposals for a number of changes to the future service provision of the section. A reduction in the number of Scrutiny committees from the current four to three was one of those proposals.

3. A meeting was held between Senior Officers in February 2023 to determine the best way to progress the changes that had been agreed as part of the budget setting process. For this particular proposal, it was felt that an extra-ordinary meeting of the Constitution Working Group should be convened to consider the required changes and determine which one should be recommended to the Council for approval.

4. In addition, it is felt that there is a degree of overlap between the work programmes for the Overview & Scrutiny Committee and the Stronger Council Select Committee, which has reduced the amount of business carried out by the Overview & Scrutiny Committee in particular this year. Therefore, it is felt that the amalgamation of the two committees would not negatively impact the Council's Scrutiny function.

5. In further discussions between Officers and the Portfolio Holder for Internal Resources, two options have emerged as the most practical and these are detailed below for the Constitution Working Group to consider.

Option 1 – See Appendix 1

6. The first option is to retain the Overview & Scrutiny Committee as the parent committee, as well as the Stronger Communities and Stronger Place Select Committees but abolish the Stronger Council Select Committee. The Work Programme for the Stronger Council Select Committee would be absorbed by the Overview & Scrutiny Committee.

7. The Stronger Communities and Stronger Place Select Committees would be retained, with their work programmes aligned to the corresponding key themes in the Council's Corporate Plan, as they currently are. The appointment of members to these two Select Committees would be undertaken by the Overview & Scrutiny Committee as at present.

Option 2 – See Appendix 2

8. The second option is to retain the Stronger Council Select Committee, as well as the Stronger Communities and Stronger Place Select Committees but abolish the Overview & Scrutiny Committee. The Work Programme for the Overview & Scrutiny Committee would be absorbed by the three Select Committees and would be dependent on which of the three key themes within the Council's Corporate Plan each item related to.

9. Again, as highlighted above, it is felt that there is a degree of overlap between the work programmes for the Overview & Scrutiny Committee and the Stronger Council Select Committee, which has reduced the amount of business carried out by the Overview & Scrutiny Committee in particular this year. Therefore, it is felt that the amalgamation of the two

committees would not negatively impact the Council's Scrutiny function.

10. The work programmes of the three Select Committees would be aligned to the corresponding key themes in the Council's Corporate Plan, as they currently are. With the abolition of the Overview & Scrutiny Committee, the appointment of members to the Select Committees would be undertaken at the Annual Council meeting each year, following nominations from each group at the Appointments Panel meetings.

Further Discussion Points for the Group

11. It is also proposed the position of Chairmen for all Overview and Scrutiny Committees should be filled by a member outside of the majority group, regardless of which option above is chosen. The Group is also asked to consider whether this should also be extended to the Vice- Chairmen positions as well.

12. It is also proposed to hold quarterly meetings between the Chairmen and Vice-Chairmen of the Council's Scrutiny Committees to manage the work programmes of all three Committees. In addition, it is also proposed to hold regular joint meetings between Executive and Scrutiny Chairmen to manage the business passing between the two functions of the Council.

13. Briefings for the Chairman will take place prior to all meetings of Scrutiny Committees to ensure the Chairmen and Vice-Chairmen are fully prepared for all meetings. The relevant Lead Officer for the Scrutiny Committee will lead the briefing of the Chairman and Vice-Chairman.

14. In relation to the handling of call-ins, if option one is preferred then all called-in decisions will be considered by the Overview & Scrutiny Committee. If the preference is to have three Select Committees of equal standing then called-in decisions will be submitted to the relevant Select Committee depending upon the key theme of the Council's Corporate Plan that the decision relates to.

15. If option two is preferred then some consideration will also have to be given to the following issues:

- Public questions and requests to address the Overview & Scrutiny Committee.
- Scrutiny of the Cabinet' Forward Plan of Key Decisions.
- The Annual Report of Scrutiny Committees.
- Establishment of Task & Finish Scrutiny Panels.

16. Currently, none of the Select Committees offer the opportunity for the public to address the Committee or ask questions, nor can they establish Task & Finish Panels while the Annual Scrutiny Report is overseen by the Overview & Scrutiny Committee.

17. The simplest solution would be to allow the Select Committees to permit or undertake these activities in future, if option two is preferred. However, the Group may wish to consider alternative solutions. The Constitution would need to be revised accordingly.

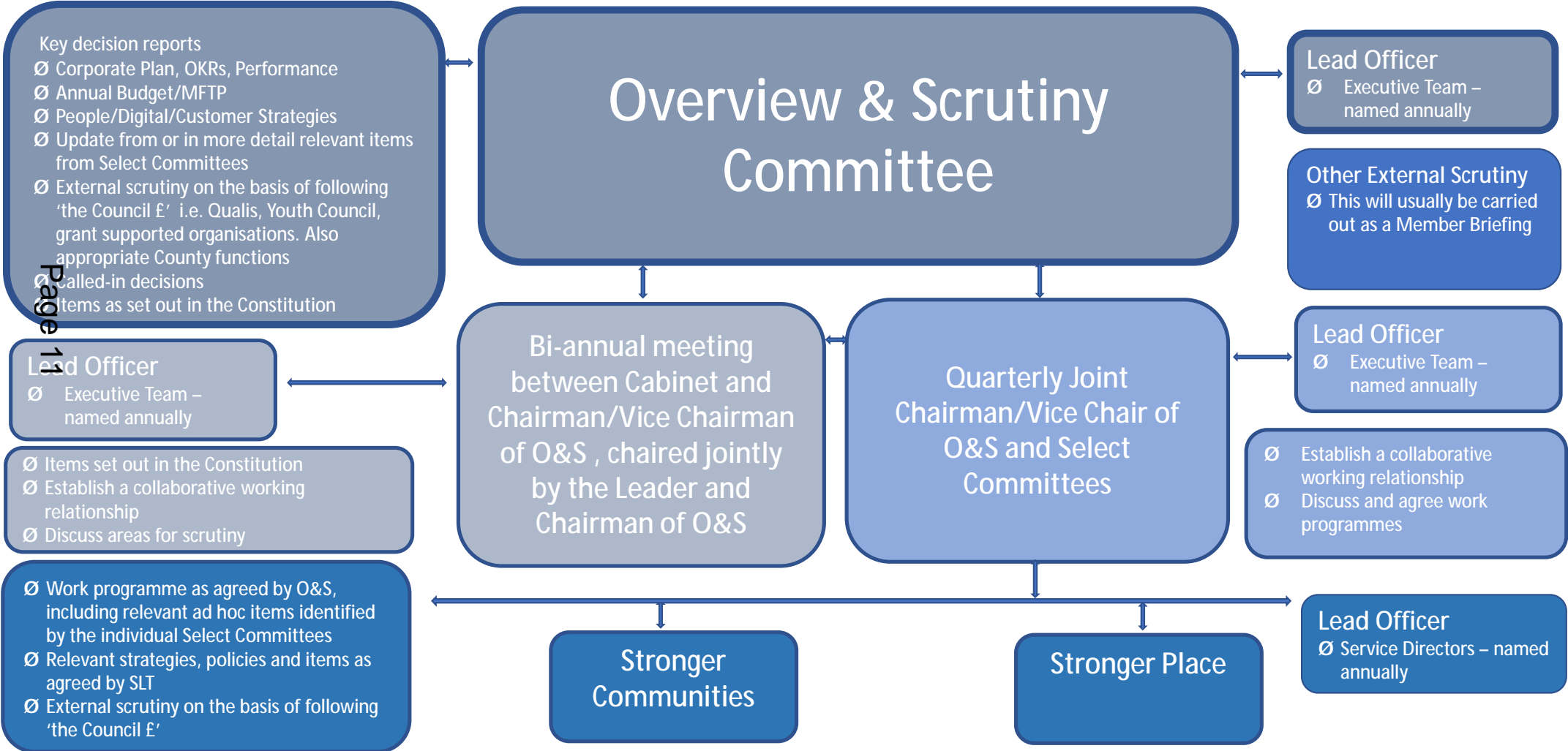
Conclusion

18. The Constitution Working Group is requested to consider the two options above and the further discussion points to make their recommendations to the Council for approval. The Group will also be required to recommend that the Monitoring Officer be delegated authority to make the necessary changes to Article 6 within the Constitution (Overview and Scrutiny).

19. The Group should note that maintaining the current status quo is not an option, as the decision was taken through the budget process to reduce the Scrutiny Committees from four to three.

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Overview and Scrutiny Function Framework – Discussion Paper Option 1



Overview and Scrutiny Function Framework Discussion Paper - Option 1

What does Overview mean? It focuses on the development of policy and strategy

What does Scrutiny mean? It looks at decisions that are about to be made or have been made to ensure they are fit for purpose

The **purpose** of O&S is to improve the lives of our residents through improved services

The **aims** of the Overview and Scrutiny function at the Council are to;

- § Assist the Council to better understand the view and concerns of our residents
- § Support the proportionate and productive review of performance & finance information
- § Assist in the development of major, strategic policies
- § Challenge the accepted ways of doing things and act as a champion for developing a culture of improvement

How?

- § The O&S Committee is the 'parent' body, the Select Committees are sub-committees of O&S
- § The O&S function will be pro-rata across all political groups
- § All the Scrutiny Chairmen will be an opposition member
- § Quarterly Joint Chairman/Vice Chair of O&S and Select Committees will take place to manage the O&S function's work programme
- § Chairman Briefings will take place prior to all O&S committees to ensure Chairmen/Vice Chairmen are fully prepared for the Committee
- § Regular Joint meetings will take place both with the executive and Select committee chair/vice chairmen
- § Scrutiny function Chairmen should have the ability to challenge, lead and build a sense of teamwork & consensus among their Committee members.
- § Members of the Executive cannot be members of an O&S committee

Role of O&S Members

- § Understand the purpose and role of the O&S function
- § Participate fully in the O&S function including delivery of the work programme
- § Constructively challenge and improve performance – have an independent mindset
- § Bring their knowledge of local communities, issues and expectations into the discussion
- § Participate in meetings, including being prepared, effectively listening, questioning, challenging and speaking
- § Keep full Council informed of work being carried out by the O&S function

Role of officers

- § Have a named Lead Officer for each Committee
- § To support the O&S function, assist with work programmes, identifying support, resources and prioritisation. Provide impartial, timely, relevant and high quality advice, including access to relevant internal/external information
- § Communicate to the organisation, including members, the role of O&S, the powers it has and outcomes it can deliver
- § Arrange appropriate training for officers and members
- § Senior Leadership Team will ensure the appropriate decisions are directed through the O&S function to the correct committee.
- § Ensure their reports are submitted on time without exception.

Overview and Scrutiny Function Framework – Discussion Paper Option 2

Stronger Council Select Committee

- Ø Relevant decisions the Executive is planning to take or to implement or taken
- Ø Key decision list/reports
- Ø External scrutiny on the basis of following 'the Council £' i.e. Qualis, grant supported organisations. Also appropriate County functions
- Ø Called-in decisions (as appropriate) Items as set out in the Constitution
- Ø Development and/or review of strategies and policies
- Ø Produce an annual Work Programme
- Ø Corporate Plan, OKRs, Performance
- Ø Annual Budget/MFTP

Stronger Communities Select Committee

- Ø Relevant decisions the Executive is planning to take or to implement or taken
- Ø Produce an annual Work Programme
- Ø Key decision list/reports
- Ø External scrutiny on the basis of following 'the Council £' i.e. Qualis, Leisure Contract, Waste Contract, Car Parking Contract, Youth Council, grant supported organisations. Also appropriate County functions
- Ø Called-in decisions (as appropriate)
- Ø Items as set out in the Constitution
- Ø Development and/or review of strategies and policies

Stronger Place Select Committee

- Ø Relevant decisions the Executive is planning to take or to implement or taken
- Ø Produce an annual Work Programme
- Ø Key decision list/reports
- Ø External scrutiny on the basis of following 'the Council £' i.e. grant supported organisations. Also appropriate County functions
- Ø Called-in decisions (as appropriate)
- Ø Items as set out in the Constitution
- Ø Development and/or review of strategies and policies
- Ø Climate and Air Quality Issues

Lead Officer

- Ø Senior Leadership Team– officers named annually

Other External Scrutiny

- Ø This will usually be carried out as a Member Briefing

Bi-annual meeting between Cabinet and Chairman/Vice Chairman of Select Committees, Alternating Chair between Executive and Select Committees

Lead Officer

- Ø Senior Leadership Team – named officers

Quarterly Joint Chairman/Vice Chair of Select Committees

- Ø Establish a collaborative working relationship
- Ø Discuss areas for scrutiny and collaboration, shared resource and information

Overview and Scrutiny Function Framework – Discussion Paper Option 2

What does Overview mean? It focuses on the development of policy and strategy

What does Scrutiny mean? It looks at decisions that are about to be made or have been made to ensure they are fit for purpose

The **purpose** of Overview & Scrutiny (O&S) is to improve the lives of our residents through improved services

The **aims** of the O&S function at the Council are to;

- Provide a check and balance on the Executive
- § Assist the Council to better understand the view and concerns of our residents
- § Support the proportionate and productive review of performance & finance information
- § Assist in the development of major, strategic policies
- § Challenge the accepted ways of doing things and act as a champion for developing a culture of improvement

- § The O&S function will be equally divided between 3 Select Committees: Stronger Council, Stronger Communities and Stronger Place
- § The O&S function will be pro-rata across all political groups
- § Opposition members will hold the positions of Chair on all Select Committees
- § Quarterly Joint Chairman/Vice Chair of O&S and Select Committees will take place to manage the O&S function's work programme
- § Chairman Briefings will take place prior to all O&S committees to ensure Chairmen/Vice Chairmen are fully prepared for the Committee
- § Regular Joint meetings will take place both with the Executive and Select Committee chair/vice chairmen and between Select Committees
- § Scrutiny function Chairmen should have the ability to challenge, lead and build a sense of teamwork & consensus among their Committee members.
- § Members of the executive cannot be members of an O&S Committee

Role of O&S Members

- § Understand the purpose and role of the O&S function
- § Participate fully in the O&S function including the formation and delivery of a work programme which is of genuine value and relevance
- § Constructively challenge and improve performance – have an independent mindset
- § Bring their knowledge of local communities, issues and expectations into the discussion
- § Participate in meetings, including being prepared, effectively listening, questioning, challenging and speaking
- § Attend induction and training as requested
- § Keep full Council informed of work being carried out by the O&S function

Role of officers

- § Have a named Lead Officer for each Committee
- § To support the O&S function, assist with work programmes, identifying support, resources and prioritisation. Provide impartial, timely, relevant and high quality advice, including access to relevant internal/external information
- § Communicate to the organisation, including the public and members, the role of O&S, the powers it has and outcomes it can deliver
- § Arrange appropriate training for officers and members
- § Senior Leadership Team will ensure the appropriate decisions are directed through the O&S function to the correct committee.
- § Ensure their reports are submitted on time without exception.